

Fu Manchu in Africa?

Distorted portrayal of China in Africa

We often hear that China is becoming the new colonial force in Africa. **Barry Sautmann** and **Yan Hairong** examine this fear and argue that this view has more to do with Western propaganda than with what is actually happening on the ground. It should be noted that they are writing about mainland China and not about the operations of other Asian countries such as Taiwan, Malaysia and Korea, which also operate in Africa and are sometimes confused with China.

Imagine a person, tall, lean and feline, high-shouldered, with a brow like Shakespeare and a face like Satan, a close-shaven skull, and long, magnetic eyes of the true cat-green. Invest him with all the cruel cunning of an entire Eastern race, accumulated in one giant intellect, with all the resources of science past and present, with all the resources, if you will, of a wealthy government... Imagine that awful being, and you have a mental picture of Dr Fu Manchu, the yellow peril incarnate in one man." *The Insidious Dr Fu Manchu (1913)*.

Fu Manchu was a fictional character in stories, novels and films from the early 20th century until the 1960s. He is what Western writers and filmmakers imagined a Chinese super-villain to be: the leader of a 'yellow peril' plot to undermine the West and achieve global domination. The character was first created by British writer Sax Rohmer in 1912 when China was a semi-colony controlled by competing Western imperialist powers. He is such a persistent 'super-villain' that a South African film production company has

recently proposed bringing him back to the silver screen.

In the Cold War era of anti-Communism, the racist portrayal of China as 'the yellow peril' became 'the red menace'. Today, if Western elites still see Africa as the miserable native to be 'saved' and 'guided,' they also view China as a 'strategic competitor', the 'China Threat' that the West needs to contain. Western politicians and journalists now particularly focus on China's activities in Africa. Many of their statements and writings give the impression that China is a colonial power involved in a "scramble" for Africa's resources. China, it is said, also uses Africa as a dumping ground for inferior goods and for its surplus population. Few of those who condemn China's behaviour, however, compare it to the historical or contemporary activities of Western powers in Africa.

If we do compare China's activities in Africa with those of the West, the image of China as a super-villain doesn't stand up. Contrary to Western claims that China's relationship with Africa is colonial, a claim echoed by Cosatu in 2005, the

evidence shows that China is neither a super-hero nor a super-villain in Africa.

CHINA A COLONIAL POWER IN AFRICA?

Modern colonialism has several characteristics. Alien powers subdued overseas lands, usually by force. They imposed a rule that was authoritarian and based on racial hierarchy. They enriched colonising elites through the exploitation of colonies' natural resources and labour. They gave their own citizens monopolies over trade and investment in each colony. They systematically dominated every sphere of politics and economy. In many lands, colonialism led to de-development.

China's activities in Africa contain none of the features of colonialism. China's trade of manufactured goods for African natural resources is often pictured in Western media as 'colonialism'. But trade of industrial goods for primary products is insufficient to define colonialism. If it was, every developed country, no matter how small, would be a 'colonialist' in its

relationship to every developing country. In fact, the exchange of manufactured goods for natural resources has been a constant feature of inequality in the world capitalist system all over the world and even within national borders; for example, between cities and countryside.

China is not even the main country that exchanges manufactured goods for natural resources in Africa. Only seven of Africa's 53 states receive a significant portion (5-14%) of the value of their imports from China. Most of what China exports to Africa is *not* the basic consumer goods that are always talked about in discussions of China in Africa.

In only one African country (Uganda) are basic consumer goods more than 20% of what is imported from China. According to China's statistics, nearly half of Chinese exports to Africa in 2005 were "high value added products, such as machinery, electronic equipment and high- and new-tech products." For low-income Africans moreover, Chinese consumer goods are often the only affordable ones. In Madagascar, for example, such goods are two to three times less expensive than locally-made or other imported goods.

China, unlike a colonial power, can hardly monopolise any African country's trade and investment. For example, although China is portrayed as scrambling to monopolise African resources, its 2006 share of African oil exports was 8.7%, while Europe took 36% and the US 33%. Chinese investments in Africa, which are more concentrated in manufacturing than those of Western states, were in 2006 about \$8 billion, of \$120 billion in total foreign direct investment in Africa.

Colonialism always involves

political dominance by a state over foreign lands. Although the claim is often heard, no one has actually shown that China dominates any state in Africa.

Take China and Sudan. Western media assumes Sudan is China's 'outpost' because China is involved in its oil industry. Their reports however contain little evidence that such development has allowed China to call the shots. All the evidence points to the opposite. For example, in 2003, a Canadian oil firm decided to sell its interest in a Sudan petroleum consortium that also involved Chinese and Malaysian firms. The Chinese company asked to buy the Canadian firms' share, but Sudan's government refused and awarded the share to an Indian firm. China accepted the decision without protest. Sudan has since adopted a policy favouring Indian oil interests in awarding new oil blocks.

China is also portrayed as Sudan's protector in the United Nations and often accused of vetoing sanctions against Sudan. China, however, has never used its veto with regard to Sudan. In 2005, when China abstained on a vote and thereby allowed two sanctioning resolutions against Sudan to go forward, the Khartoum government sharply criticised China. China supported sanctions against apartheid South Africa, but opposes sanctions against Sudan because experience shows that sanctions in no other case has changed the stance of a government, but instead usually harm the people of the sanctioned country. In Iraq, for example, US-imposed sanctions resulted in the deaths of about a half-million children. China has, however, played an important role in persuading Sudan to accept UN troops in Darfur, a role that even the US has acknowledged.

CHINA AND AFRICA'S DEVELOPMENT

Growing out of its own experiences of semi-colonialism, socialism, and state-led market reform, China's approach to Africa's development is different from the West's.

In contrast to the neo-liberal structural adjustment programmes that Western-led international financial institutions (World Bank, IMF) imposed on Africa, China does not demand privatisation, trade liberalisation, or the cuts in government spending on social programmes that have so weakened Africa's production of human capital. China accommodates its trade, investment and aid policies to African developmental aspirations. Yet, because China seeks to be a major player in the global capitalist system, it also practices many of the system's oppressive features, such as exploitative terms of trade, harsh labour regimes, and friendly relations with corrupt and undemocratic rulers.

The World Bank has pointed out that a major obstacle to Africa's growth is its lack of infrastructure. In most of the continent, locally-made goods are more expensive than imports, due to poor infrastructure, such as faulty power delivery and transport. China has long built Africa's infrastructure. The 1970s construction of a Tanzania-Zambia (Tazara) railway is a famous example of a project motivated by anti-imperialist solidarity, rather than profit. Profit plays a more important role today, but China still builds Africa's infrastructure at a fraction of the cost Western firms charge. Companies from the West expect 15-25% profit rates; Chinese firms accept as low as 3-5%.

China's prominence in infrastructure projects is often portrayed as building palaces for corrupt leaders, such as 'showcase'



A conference on China-African trade cooperation in Wuhan of Hubei Province in China in July this year. It attracted 49 trade representatives from 21 African countries.

national stadiums. Most of what China builds in Africa is, however, essential to the continent's industrialisation such as railways, telecommunications, power plants and refineries. In 2006, China's Exim Bank provided US\$12.5 billion in loans for African infrastructure, more than all the developed countries' aid for that purpose. China's infrastructure loans are made at no or very low interest. These favourable terms contrast with those of Western banks. For example, in 2004 British banks lent US\$2.35 billion to Angola at about 7%.

In building infrastructure, Chinese firms seldom compete with local companies, but do employ local labour. A Stellenbosch University, Centre for Chinese Studies' report on Chinese construction firms in Angola, Sierra Leone, Tanzania and Zambia shows that in all countries but Angola, 85-95% of these firms' workforces are local. Another study on large-scale Chinese construction firms in Africa found that locals are more than half their workforces.

In South Africa, Chinese firms generally cannot import labour, because this would run against the country's labour laws. For example, at the Buffelsfontein mine, 60 miles west of Pretoria, where two newly-built blast furnaces are used to turn chrome ore into ferrochrome, there are only five Chinese among 1 000 employees.

There are three reasons why Chinese firms make use of Chinese labour in some African countries.

First, for Chinese managers there is no language or cultural barrier with Chinese workers, who are also familiar with the technologies used by Chinese firms. Such workers are accustomed to working longer hours and are willing to work through local holidays. Chinese workers are often cheaper to use because of their high productivity.

Second, there is a lack of skills in most African countries. While there is some debate about the skills deficit in South Africa, there is general agreement that a deficit exists in engineering and artisanal skills.

Third, some countries, unlike South Africa, have no legal system to force foreign firms to use local labour.

There are often complaints in Africa about Chinese firms bringing in unskilled Chinese labour, when local people can do such work. Sometimes, however, the 'Chinese' turn out to be people from other Asian countries such as Malaysians who worked on a large construction project in Lusaka.

Chinese skilled workers also do not mind doing unskilled work when it's needed, so that some 'unskilled' Chinese pushing wheelbarrows are actually skilled workers.

The Chinese government urges Chinese firms to hire as many local workers as possible. Many firms now recognise that 'going global' must involve more local hiring. They can also sometimes cut their costs

by employing local workers as the rising price of domestic Chinese labour is increasing the cost of bringing workers from China.

China's trade with Africa has also come in for criticism, mainly in terms of imports of oil from, and exports of textiles and clothing to the continent. China, however, takes African oil differently from Western multinationals. Shell and other 'majors' have controlled Nigeria's oil production for a half-century, yet Nigeria still has to import most gasoline that it uses. In Sudan, however, China has built an integrated petroleum industry that includes exploration, production, refining, transport, and sales of crude oil, gasoline and petrochemical products.

China scarcely competes with Africa in world commerce. The Export Similarity Index, a measure of overlap of value of products countries export, was 4% for China and the whole of Africa in 2001.

The one significant area of competition is textiles and clothing (T & C). Chinese sales surged in 2005 with the end of the global Multifibre Arrangement that had until then restricted developing country T & C sales. Chinese T & C exports to Africa temporarily damaged local industry in Lesotho, Madagascar, Morocco and South Africa. The first three countries' domestic sales and exports have largely recovered through finding new sales niches. In South Africa, China imposed quotas on its T & C exports. This has not restored jobs, but the reasons have more to do with the informalisation of the industry and with other developing countries filling the gap created by China's restraints.

For Western policy-makers, Africa's development is about aid, although much of the recently-promised Western aid has not been



A South African worker packs television sets in a factory owned by Chinese.

delivered. By insisting that African countries use private initiatives and anti-corruption mechanisms to alleviate poverty, Western aid donors often discourage state involvement.

China, however, supports state-run projects and couples aid with trade and investment. For example, China provided a no-interest loan to recently build Ghana's Accra to Kumasi railway. Tanzania's large Urafiki textile mill, built in the 1960s by Chinese, is now a joint China-Tanzania firm underwritten by a low-interest Chinese loan that only the Chinese partner must repay. Profits are reinvested in Tanzania, and the factory will eventually be turned over to the Tanzanian partner.

Western aid programmes are often economically and politically tied. Some 80% of United States aid is tied to the purchase of US goods and services; 90% of Italy's aid benefits Italian companies; 60-65% of Canada's aid and much of Germany, Japan and France's aid is tied to purchases from those states. Such tying occurs despite a United Nations study finding that it cuts by 25-40% the value of aid to Africa.

China's aid is indirectly tied through expectations that Chinese firms will get contracts for infrastructure projects, but given their low bids, Chinese firms would likely get such contracts anyway. Western aid is conditioned on the adoption of (often nominal) liberal democracy and transparency standards, but there are no political requirements attached to China's aid, apart from the diplomatic recognition of China.

Africa's development is also affected by migration. Brain drain from the continent has slowed growth and human development. By 2005 between 300 000 and 500 000 professionals, including 30 000 with doctoral degrees, had left Africa for the West. The half million figure meant a third of African professionals had left. On average, each person represented a loss of \$184 000 to Africa.

African professionals emigrate because the West offers higher salaries and citizenship, but also because Western-imposed structural adjustment programmes devastated education and the upkeep of infrastructure in many African societies. For example, such measures collapsed Nigerian universities, leaving the country's 50 000 engineers severely under-trained. Africa, with 14% of the world's population, has 24% of the global burden of disease. Yet, with 1.4 medical workers per 1 000 people, compared to North America's 9.9, Africa loses to developed countries an average of 23 000 such workers each year.

China, however, has contributed to Africa's brain *gain* by graduating more than 20 000 African students, mostly physicians, engineers or agricultural scientists. They plan to return to Africa, in contrast to their compatriots who study in the West. China plans to double annual enrolments of African scholarship students to 4 000 by 2010.

CHINA'S FUTURE IN AFRICA

China's footprint in Africa is not nearly as big as the main Western

states, but China is set to play a larger role in coming years. Trade volume has grown sharply in the past decade, from \$3 billion in 1995 to \$55 billion in 2006. That is about 10% of Africa's total trade (compared to the EU's 32% and US's 18%). By 2010, it may increase to \$100 billion. China thus provides an alternative to Africa's traditional reliance on trade with the West. Indeed, China's strategy is to break the hold that Western commodity exchanges have on commerce between Africa and the rest of the world.

Chinese firms are encouraged to invest in Africa, particularly in manufacturing and agriculture. There are daily reports of new Chinese factories and processing plants opening in the continent. In October 2007, South Africa and China agreed that in exchange for providing Chinese firms with greater access to South Africa's minerals, China would move factories to South Africa.

While China's medium level of technology suits Africa's needs and technology transfer is ongoing, the consequences of Chinese firms 'going out to Africa' remain to be seen.

The Chinese government can guide the conduct of its state-owned enterprises, which have been prominent in investing in Africa.

The political interests of China in Africa include close relations with African states and building a positive image among Africans generally. Growing numbers of small and medium-size private Chinese enterprises operate on a different logic than China's state-owned enterprises however. It is more difficult for China to coordinate its state interests with these private firms. Chinese scholars are pressing their government to be more



The opening ceremony of a wholesale centre in Johannesburg which was developed by a Chinese company

proactive in regulating the conduct of such firms and individual entrepreneurs.

With additional Chinese trade and investment comes increased numbers of Chinese in Africa. In the past six years, 750 000 Chinese have migrated to the continent. Their leading destinations are South Africa and Nigeria. Up until recently, Chinese interaction with Africa was largely confined to elite circles. The increasing presence of Chinese traders, managers, professionals, skilled workers and farmers creates a wide range of contacts with Africans. Some contacts are the source of friction, because of racism or competition in small trade. Other contacts are valued by Africans. Indeed, Chinese communities in Africa have produced a great interest in China and things Chinese among Africans.

The numbers of Africans in China is also increasing. In the southern Chinese city of Guangzhou (Canton), there are more than 10 000 Africans. There has also been a striking upsurge of interest in Africa among Chinese.

The Western picture of China as a

colonialist scrambling in Africa has developed out of a longer claim of a 'China Threat'. For the West, the discrediting of China in Africa serves to contain China as a competitor. It also counters the notion of many paths to development. It is moreover an attempt to bolster the self-image of Westerners as 'promoters of democracy and good governance' in the continent, despite US, UK and French support for most of Africa's undemocratic regimes.

Some African intellectuals point out that attacking China distracts people from focusing on the continent's subordination within a world system in which the West plays the central role. For example, 40% of Africa's privately-held wealth, most of it attained through bribery, embezzlement and tax evasion, is in banks in London and Zurich and not Beijing.

Faced with Chinese activities in Africa, some opinion makers take a different approach by pressing China to agree with Western policies for Africa. Because China seeks to ease Western nerves about its 'peaceful rise', it may

accommodate Western powers. China's increasing integration into the capitalist world system will likely also transform her present distinctive approaches in Africa.

Whether or not that happens, China's activities should be criticised. But those who seek to make China the super-villain in Africa are engaged in a game that is increasingly obvious to Chinese and Africans. Effective critiques are only possible by looking at China in Africa through a comparative perspective. One that takes into account the whole unequal world system in which relations between China and Africa are taking shape. ¹⁸

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